

**PUBLIC DISCLOSURE**

JANUARY 10, 2005

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

WESTBANK

225 PARK AVENUE  
WEST SPRINGFIELD, MA 01089

DIVISION OF BANKS  
ONE SOUTH STATION  
BOSTON, MA 02110

<b>NOTE:</b>	This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.
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## GENERAL INFORMATION

The Community Reinvestment Act ("CRA") requires the Massachusetts Division of Banks ("Division") to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **WESTBANK (or the "Bank")** prepared by the Division, the institution's supervisory agency, as of **JANUARY 10, 2005**. The Division evaluates performance in the assessment area(s), as they are defined by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The Division rates the CRA performance of an institution consistent with the provisions set forth in 209 CMR 46.00.

### **INSTITUTION'S CRA RATING: This institution is rated "Satisfactory"**

Westbank's overall CRA performance reflects the degree of its commitment in helping to meet the credit needs of its assessment area. The Bank was evaluated according to the CRA Large Institution Examination Procedures, involving three tests: the Lending Test, the Investment Test and the Service Test. These tests were conducted to determine the Bank's overall CRA performance rating for calendar years 2003 and 2004.

### **LENDING, INVESTMENT, AND SERVICE TEST TABLE**

The following table indicates the performance level of **WESTBANK, WEST SPRINGFIELD, MASSACHUSETTS**, with respect to the lending, investment, and service tests.

<b>PERFORMANCE TESTS</b>			
<b>Performance Levels</b>	<b>Lending Test*</b>	<b>Investment Test</b>	<b>Service Test</b>
Outstanding			
High Satisfactory			
Satisfactory	<b>X</b>	<b>X</b>	<b>X</b>
Needs to Improve			
Substantial Non-Compliance			

\*Note: The Lending Test is weighed more heavily than the Service and Investment Tests when arriving at an overall rating.



## DESCRIPTION OF INSTITUTION

Westbank is a state-chartered commercial bank. On September 7, 2001, the Bank merged its two subsidiary financial institutions, Park West Bank and Trust Company, headquartered in West Springfield, Massachusetts and Cargill Bank, a Connecticut-chartered savings and loan association. Westbank has four subsidiaries: Park West Securities Corporation, which holds investments of the Bank; P.W.B. & T Inc. which holds Bank owned property, Park West Real Estate Investment Trust, Inc., and NLT Financial Services (inactive).

The composition of the Bank's loan portfolio consists of residential mortgage loans, commercial real estate loans, commercial and industrial loans, construction loans, home improvement loans and a variety of consumer loans.

As of September 30, 2004, Westbank had total assets of \$748,085,000. Total loans, as of this date, were \$435,153,000. The Bank's loan portfolio is comprised predominately of real estate loans. As of September 30, 2004, loans secured by 1-to-4 family residential properties accounted for \$190.21 million, or 43.7 percent of the total loan portfolio. Loans secured by nonfarm nonresidential properties accounted for \$105.45 million, or 24.23 percent of the loan portfolio. Commercial and Industrial Loans accounted for 14.30 percent. Consumer loans followed accounting for 10.35 percent. Loans secured by multi-family 5 or more unit residential properties and other obligations accounted for the remaining loan portfolio.

The Bank's loan-to-deposit ("LTD") ratio was 72.3 percent at September 30, 2004. The LTD ratio has ranged from its current low of 72.3 percent to a high of 84.0 percent for the quarter following the prior Federal Deposit Insurance Corporation ("FDIC") evaluation in 2003. Not reflected in the LTD ratio is the significant volume of loans sold to the secondary market. The Bank sold 784 residential loans totaling \$88.2 million during 2003 and 2004. Westbank generally does not purchase residential loans from other institutions and does not have any lending affiliates.

Westbank is headquartered at 225 Park Avenue in West Springfield, Massachusetts and is located in a moderate-income census tract. Westbank operates a total of 18 branches. Three branches are located in West Springfield and the remaining full service branches are located in Chicopee, East Longmeadow, Feeding Hills, Holyoke, Ludlow, Southwick, Webster and Westfield, Massachusetts, as well as four branches located in Danielson, Putnam and Woodstock, Connecticut. Three are in-store branches in the Big Y Supermarkets in Chicopee and Westfield and the Stop and Shop Supermarket in East Longmeadow. The only change in the Bank's branching structure since the last examination was the opening of the Webster Branch in 2003.

The Holyoke branch is located in a low-income census tract. The West Springfield branch (Park Avenue), Chicopee (Front St.), Webster, Westfield (Broad St.), MA and Danielson, CT are all located in moderate-income census tracts. All other branches are located in either middle or upper-income census tracts. Each branch, with the exception

## DESCRIPTION OF INSTITUTION (CONTINUED)

of Holyoke, contains an ATM. There are 3 permanent free-standing ATMs in Connecticut; one at the Job Lot Plaza in Brooklyn, CT, one at the Ames Plaza in Dayville, CT, and one in the Gerardi Building in Putnam, CT. Additionally, there are two permanent ATMs at the Eastern States Exposition (Big E) Better Living Center in West Springfield, MA, as well as 2 seasonal ATMs at the Big E fairgrounds that operate from the end of May through the end of the Big E in the fall.

Westbank operates in a highly competitive market and experiences competition from several financial institutions within its three assessment areas. These financial institutions include but are not limited to the following: Countrywide Home Loans, Fleet National Bank, GMAC Mortgage Corporation, People's Savings Bank, Putnam Savings Bank and United Co-operative Bank as well as representatives of regional and national mortgage companies. The market influence from these institutions appears to be significant, and as a result, serves to keep the Bank's rates and services offered competitive.

Westbank has historically found it difficult to penetrate the low- and moderate-income census tracts in the Springfield Metropolitan Statistical Area ("MSA"). BankNorth and other large regional and community banks have maintained strong branch and community relationships in the City of Springfield where Westbank is attempting to gain market share. In the City of Holyoke, there is a local community bank that has been established since 1885. In the City of Westfield, there are two local community banks; one was established in 1853 and the other in 1871. In the City of Chicopee, there is a community bank that was established in 1854. Additionally, there are 14 credit unions with their main offices in these four cities. All of the low- and most of the moderate-income tracts are also located in these cities.

The most recent FDIC CRA Evaluation was conducted as of April 15, 2003, at which time the Bank was assigned an overall rating of "Satisfactory." As of June 21, 2001, the Division conducted a CRA evaluation, and also assigned a "Satisfactory" rating.

No apparent financial or legal impediments prevent the institution from helping to meet the credit needs of its assessment areas.

## **DESCRIPTION OF ASSESSMENT AREA**

### **Demographic and Economic Data**

CRA requires a financial institution to define one or more assessment areas in which it will concentrate its lending efforts. Westbank currently has three defined assessment areas, which include 122 census tracts in Massachusetts and Connecticut. Of the 122 census tracts, 17 (13.9 percent) are low-income census tracts, 24 (19.7 percent) are moderate-income, 58 (47.5 percent) are middle-income, and 23 (18.9 percent) are upper-income census tracts.

### ***Massachusetts Assessment Areas***

The Springfield Assessment Area (Assessment Area I) contains the significant majority of the town, population, deposits, and lending activity. Performance in this area will be accorded the most weight during this evaluation. The area includes 26 municipalities within Hampden and Hampshire Counties, all of which are within the boundaries of the Springfield MSA (MSA #8000). The Hampden County municipalities are Agawam, Blandford, Chester, Chicopee, East Longmeadow, Granville, Hampden, Holyoke, Longmeadow, Ludlow, Monson, Montgomery, Palmer, Russell, Southwick, Springfield, Tolland, Westfield, West Springfield, and Wilbraham. The Hampshire County communities are Belchertown, Easthampton, Granby, Southampton, South Hadley, and Ware.

The Webster Assessment Area (Assessment Area III) is geographically separated from the Springfield area and contains only three towns: Dudley, Oxford, and Webster. This area was added when Westbank opened a branch in Webster in 2003.

Changes occurred to both census tract boundaries and income designations following the 2000 census. The 2000 census resulted in an increase in the number of low-income tracts from 12 to 17, moderate-income tracts from 13 to 19, and upper-income growing from 19 to 23; and middle-income tracts shrinking from 53 to 45.

The evaluation of Massachusetts operations will include a full scope review of the Springfield MSA portion of the assessment area and a limited scope review of the Webster area. The overwhelming majority of owner-occupied housing and families is contained within the Springfield MSA portion of the assessment area.

### ***Connecticut Assessment Area***

Following the merger in 2001, the Bank added the Connecticut Assessment Area (Assessment Area II), which includes 10 census tracts in the following 6 municipalities in Windham County, Connecticut: Eastford, Killingly (Danielson is part of this town), Pomfret, Putnam, Thompson, and Woodstock. With the exception of Thompson, which was part of the Worcester, MA-CT MSA (#9240), the Connecticut communities are located within non-MSA areas. However, due to changes in MSA boundaries which

## **DESCRIPTION OF ASSESSMENT AREA (CONTINUED)**

occurred in 2004 Thompson was removed from the Worcester MSA and became part of the Non-MSA area. The Connecticut Assessment Area comprises 10 census tracts (9.2 percent of the Bank's combined assessment area tracts), including 2 (20.0 percent) moderate-income census tracts, and 8 (80.0 percent) middle-income census tracts (2003). There are no low- or upper-income census tracts within this assessment area.

A full scope review of the Bank's performance will be completed for those towns in the Non-MSA portion of the Connecticut Assessment Area.

### ***Springfield Assessment Area Credit Needs - Community Contacts***

Two community contacts were completed in the Springfield area. A community contact was completed with a local small business development organization that serves Western Massachusetts. This contact was not able to provide any additional insight into the small business needs within the Springfield MSA or the performance of local banks in serving local business needs. A second contact was completed with a group involved in affordable housing. This contact indicated that there are neighborhoods which he believes would provide a financial institution a viable opportunity if that institution was willing to invest the time and resources necessary to develop a long term relationship. These neighborhoods provide both conventional lending and deposit opportunities and also many projects that could qualify as community development.



## **CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS**

### **LENDING TEST**

The institution's Lending Test performance was rated an overall "Satisfactory." The institution's lending efforts are rated under the seven performance criteria: Lending Activity, Geographic Distribution, Borrower Characteristics, Community Development Lending, Innovative or Flexible Lending Practices, Fair Lending, and Loss of Affordable Housing. The following information details the data compiled and reviewed, as well as conclusions on the Bank's performance.

Tables 1 –11a, which appear at the end of the Public Evaluation, summarize the Bank's lending performance by loan product type. Tables 7a and 12a were excluded since they relate to the distribution of small loans to farms, which the Bank does not originate.

#### **Scope of Evaluation**

The lending test evaluates an institution's record of helping to meet the credit needs of its assessment area based on an analysis of its residential mortgages, small business loans, and community development loans. Residential mortgage loans and small business loans originated from January 1, 2003 through December 31, 2004 were included in the Bank's performance.

The data used to evaluate the Bank's lending was derived from the Home Mortgage Disclosure Act/ Loan Application Register ("HMDA/LAR") and the Bank's CRA Disclosure Statement. The Bank does not collect information regarding its consumer lending activity; therefore, consumer loans are not part of the analysis.

#### **I. Lending Activity**

Market share information obtained from PCI Services, Inc. CRA WIZ, based on 2003 aggregate performance data (the most recent data available) indicates that among the 379 HMDA-reportable lenders in Assessment Area I the Bank was ranked 15<sup>th</sup> with 1.72 percent of the market share in total loans originated or purchased within its assessment area. Fleet National Bank was number one in total loans originated or purchased with 7.28 percent of the market share. Among the 271 lenders in Assessment Area II, the Bank was ranked 8<sup>th</sup> with 2.64 percent of the market share in total loans originated or purchased within its assessment area. Putnam Savings Bank was number one in total loans originated or purchased with 7.63 percent of the market share. Among the 244 lenders in Assessment Area III, the Bank was ranked 140<sup>th</sup> with .08 percent of the market share in total loans originated or purchased within its assessment area. Countrywide Home Loans was number one in total loans originated or purchased with 8.15 percent of the market share.

## LENDING TEST (CONTINUED)

### Residential Lending

Westbank's LARs were reviewed to determine the amount of credit extended within the Bank's assessment areas for 2003. During this period, the Bank originated and purchased 931 HMDA-reportable loans totaling \$115.7 million. Of this amount, 689 loans, or 74 percent of the number totaling \$86.5 million or 74.7 percent of the dollar volume were originated and purchased in Assessment Area I. Of the total amount, 125 loans, or 13.43 percent of the number totaling \$14.2 million or 12.31 percent of the dollar volume were originated or purchased in Assessment Area II. Of the total amount, 4 loans, or .43 percent of the number totaling \$420,000 or .35 percent of the dollar volume were originated or purchased in Assessment Area III.

During 2004, the Bank originated and purchased 289 HMDA-reportable loans totaling \$37.7 million. Of this amount, 217 loans, or 75 percent of the number totaling \$27.4 million or 72.8 percent of the dollar volume were originated and purchased in Assessment Area I. Of the total amount, 31 loans, or 10.73 percent of the number totaling \$3.7 million or 9.86 percent of the dollar volume were originated or purchased in Assessment Area II. Of the total amount, 2 loans, or .69 percent of the number totaling \$334,000 or .89 percent of the dollar volume were originated or purchased in Assessment Area III.

There was a dramatic decrease in lending volume from 2003 to 2004. The decrease is attributed to the rising mortgage interest rates and continued increase in housing prices. Westbank is not a dominant market share holder for any loan category which is reflective of a high level of competition in the Springfield market. For residential lending the Bank ranks 8<sup>th</sup> and 25<sup>th</sup> for refinance and home purchase lending, respectively.

Refer to the following table for information pertaining to the combined assessment areas.

#### Assessment Areas I, II, and III

Distribution of Home Mortgage Loans Inside and Outside the Combined Assessment Area								
Year	Inside				Outside			
	Number of Loans		Dollar Amount		Number of Loans		Dollar Amount	
	#	%	\$ (000s)	%	#	%	\$(000s)	%
2003	818	87.9	\$101,152	87.4	113	12.1	\$14,596	12.6
2004	250	86.5	\$31,455	83.5	39	13.5	\$6,217	16.5
Totals	1,068	87.2	\$132,607	85.5	152	12.8	\$20,813	14.6

Source: : HMDA LARs 2003 and 2004

The significant majority of the Bank's home mortgage loans were originated in Assessment Area I, the Springfield, MA MSA portion of the combined assessment areas.

## LENDING TEST (CONTINUED)

### Small Business Lending

Westbank's Small Business Loan Registers ("SBLR"s) were reviewed to determine the amount of small business credit extended within the assessment area. For purposes of this loan register, a small business loan is defined as "a loan with an original amount of \$1 million or less that is secured by non-farm nonresidential properties; or commercial and industrial loans to US addresses, as defined in the FDIC Call Report Instructions." The Bank originated 902 small business loans totaling \$145.99 million during the period January 1, 2003 through December 31, 2004.

#### Assessment Areas I, II, and III

Distribution of Small Business Loans Inside and Outside the Combined Assessment Area								
Year	Inside				Outside			
	Number of Loans		Dollar Amount		Number of Loans		Dollar Amount	
	#	%	\$ (000s)	%	#	%	\$(000s)	%
2003	390	90.1	\$57,064	86.7	43	9.9	\$8,779	13.3
2004	431	91.9	\$69,618	86.9	38	8.1	\$10,524	13.1
Totals	821	91.0	\$126,682	86.8	81	9.0	\$19,303	13.2

Source: CRA Loan Data 2003 and 2004

The Bank's distribution of residential and small business loans inside the assessment area is considered good.

### II. Geographic Distribution

The Bank's penetration of census tracts of different income levels is considered marginally adequate.

#### ***Residential Mortgage Loans***

Tables 2a, 3a 4a and 5a (Massachusetts Assessment Areas) in Appendix B are based on HMDA data for calendar years 2003 and 2004 and illustrate the geographic distribution of the Bank's residential mortgages among the low-, moderate-, middle-, and upper-income census tracts that constitutes the assessment area. The tables show home purchase loans, home improvement loans and home mortgage refinance loans. The Bank did not originate any multifamily loans during the period reviewed.

It is noted that the comparisons for 2003 and 2004 are based on the 2000 census data. Assessment Area I in 2003 contained 45 census tracts that were designated as middle-income. Census data also indicated that 19 census tracts were designated as moderate-income. Assessment Area III contained 5 census tracts that were designated as middle-income. Census data also indicated that 3 census tracts were

designated as moderate-income. Westbank's lending in low-income tracts increased in 2004, however, it is still low compared to the aggregate.

## LENDING TEST (CONTINUED)

Table 2a illustrates the geographic distribution of home purchase loans within the assessment area. The Bank originated 89 home purchase loans in Assessment Area I in 2003 and 82 in 2004. Loans originated within low-income geographies represented 1.12 percent in 2003 and 1.22 percent in 2004. Loans originated within moderate-income geographies represented 7.87 percent in 2003 and 8.54 percent in 2004. Loans originated within middle-income geographies represented 49.44 percent in 2003 and 58.54 percent in 2004. Loans originated within upper-income geographies represented 41.57 percent in 2003 and 31.71 percent in 2004. Aggregate data indicates a higher rate of lending than the Bank in 2003 for both low-income and moderate-income geographies with 6.15 percent and 17.33 percent, respectively. The Bank originated 1 home purchase loan in Assessment Area III during the two-year period. The loan was originated in 2004 in a middle-income census tract.

Table 3a in Appendix B illustrates the geographic distribution of home improvement loans. A total of 39 loans were originated in Assessment Area I in 2004. As with home purchase loans, the concentration of lending is among middle- and upper-income geographies. The Bank originated 2.56 percent of its home improvement loans in both low-income and moderate-income geographies in 2004. There were no home improvement loans originated by the Bank in 2003 compared to 3.79 percent for the aggregate, in low-income geographies in Assessment Area I. There were no loans originated in Assessment Area III in 2003 and 2004.

Table 4a in Appendix B illustrates the geographic distribution of home refinance loans. The Bank originated 600 home improvement loans in Assessment Area I in 2003 and 96 home improvement loans in 2004. The Bank originated 0.67 percent of these loans in low-income geographies in 2003 and 1.04 percent in 2004. The Bank originated 6 percent of home refinance loans in moderate-income geographies in 2003 and 6.25 percent in 2004. These figures are below the rate of lending by the aggregate, which originated 2.53 percent in low-income geographies and 10.99 percent in moderate-income geographies in 2003. The Bank originated 41.83 percent of total home refinance loans in middle-income geographies in 2003 and 47.92 percent in 2004. Westbank originated the highest percentage of loans in upper-income geographies, 51.50 percent in 2003. The aggregate showed the highest percentage of loans in middle-income geographies, 50.67 percent in 2003. The Bank originated 4 home refinance loans in Assessment Area III in 2003 and 1 in 2004. The loan volume in middle- and upper-income geographies is reasonable given that the concentration of census tracts is in middle- and upper-income geographies.

Table 5a shows the geographic distribution of multifamily loans. The Bank did not originate any loans in 2003 and 2004, hence no analysis was conducted in this category.

## **LENDING TEST (CONTINUED)**

### ***Small Business Loans***

Table 6a in Appendix B illustrates the geographic distribution of small business loans. Similar to the residential mortgage data, the data in Table 6a compares the Bank's small business lending in each of the four census tract income groups to the proportion of small businesses located in each area as well as the aggregate lending data for calendar year 2003. A comparison of the Bank's lending activity to that of all other lenders doing business in the area is appropriate since the Bank is also a commercial lender.

As the data in Table 6a show, the Bank originated 369 small business loans within Assessment Area I in 2003 and 397 in 2004. Westbank originated 8.67 percent of all small business loans in low-income geographies during 2003 a figure that is slightly less than the 10.92 percent for all other lenders in the area. Westbank's lending in low-income areas at 8.56 percent is similar to the 2003 percentage. Westbank's small business loan activity in moderate-income census tracts for 2003 at 29.54 percent was above that of other lenders, which showed 15.26 percent. This number decreased slightly in 2004 to 26.45 percent. The Bank's small business loan activity in middle- and upper-income census tracts, at 30.08 percent and 31.71 percent, was below the aggregate for middle-income at 43.46 percent and slightly above the aggregate for upper-income at 30.36 percent. The Bank originated 4 loans in Assessment Area III in 2003 and 14 in 2004. All of the loans originated in 2003 were in middle-income geographies. The majority of the 2004 loans were also originated in middle-income areas.

Table 7a, the distribution of small loans to farms was excluded from the analysis since the Bank did not originate any small farm loans during the review period.

### **III. Borrower Characteristics**

The distribution of loans, given the product lines offered by the Bank and the economic climate of the assessment areas, reflects adequate penetration among residential customers of different income levels and small business customers of different sizes. For comparison, the 2003 and 2004 distribution of the assessment areas' families<sup>1</sup> and by borrower income level and 2003 aggregate data is also shown. Aggregate data for 2004 was not available at the time of this evaluation.

### ***Residential Mortgage Loans***

Tables 8a, 9a and 10a in Appendix B are based on HMDA data for the period reviewed and respectively illustrate the distribution of the Bank's home purchase loans, home improvement loans, and home mortgage refinance loans among low-, moderate-,

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<sup>1</sup> 2003 and 2004 Based on 2000 Census Data

## **LENDING TEST (CONTINUED)**

middle-, and upper-income borrowers in the assessment area. Table 8a, which illustrates the borrower distribution of home purchase loans, indicates that in Assessment Area I, the Bank originated 89 loans in 2003 and 82 loans in 2004. Loans to low-income borrowers in 2003 and 2004 were 5.62 percent and 8.75 percent, respectively. Loans to moderate-income borrowers fared considerably better in 2003 and 2004 with 25.84 percent and 28.75 percent, respectively. These figures were comparable to the 2003 aggregate figures. The loans to low-income individuals are proportionately lower than the 22.62 percent of low-income families. Nonetheless, the percentage of loans to both low- and moderate-income borrowers, in both home purchase and refinance categories, continued to indicate material improvement in 2004.

### ***Small Business Loans***

In 2003, approximately 98.93 percent of small business loans were originated in Assessment Area I and 32 percent of these loans were to businesses with gross annual revenues of \$1 million or less. This percentage of loans is less than the 36.1 percent achieved by other lenders and lower than the 40 percent noted during the 2000 -2002 evaluation period of the prior examination.

Approximately 63.1 percent of the loans were originated in amounts of \$100,000 or less and 18.7 were originated in amounts between \$100,000 and \$250,000. Demand for loans of lesser dollar amounts is oftentimes greatest among smaller businesses. Figures for 2004 were not significantly different from 2003 activity.

## **IV. Community Development Lending**

Westbank's community development lending activities are evaluated pursuant to the following criteria: 1) the extent to which community development lending opportunities have been made available to the institution; 2) the responsiveness of the institution's community development lending; and 3) the extent the institution has demonstrated leadership in community development lending.

Westbank has made a good level of community development loans in the assessment area. Westbank's reported community development loans were primarily renewals of working capital loans to eligible non-profit organizations or programs and were either unsecured or secured by non-real estate assets. Westbank originated 13 qualified community development loans totaling \$8.7 million during the evaluation period of April 16, 2003, through January 18, 2005. Additionally, Westbank made one loan in the amount of \$600,000 which served a community development purpose although it was reportable as a small business loan (due to collateral).

## **LENDING TEST (CONTINUED)**

All of the community development loans were originated within the Springfield MSA assessment area. This is not unexpected as the overwhelming majority of community development opportunities are in this area. The following summarizes some of the community development projects funded by Westbank.

On July 17, 2003, the Bank provided a \$6,000,000 permanent mortgage loan to a non-profit organization for the construction of a new facility and the acquisition of a day camp facility in Wilbraham, and the expansion of its existing facility in Springfield. In addition the Bank provided this organization with a \$300,000 line of credit for the purpose of working capital. This organization was designed to benefit men, women, and children of all ages, ethnic origins, religious affiliations and socio-economic levels.

On December 8, 2004, the Bank renewed this organization's \$300,000 working capital line of credit.

On December 29, 2003, the Bank provided a \$400,000 renewal line of credit to a non-profit out-patient health clinic in Holyoke. This facility provides health care services to mostly economically disadvantaged minority women and children. The purpose of the line of credit is to support the working capital needs of the facility. On December 2, 2004, the Bank increased the existing line of credit to \$800,000 and extended the renewal to October 2005.

On December 10, 2003, the Bank provided a \$200,000 renewal line of credit to a not for profit organization in Westfield. This community mental health facility provides psychiatric consultation, evaluation and treatment services to children, adolescents, adults, families and couples in need of treatment for serious or chronic mental illness, emotional disturbances, developmental disabilities, substance abuse and other emotional disorders that would benefit from its services. Client fees are on a sliding scale made possible from the support of the Massachusetts Department of Mental Health. The purpose of the line of credit is to support working capital needs. On March 5, 2004, the Bank provided this organization with a \$75,000 overline. The purpose of the overline is to support a new contract with the state for a Traumatic Brain Injury Program for the homeless, which covers the Wilbraham and Florence Massachusetts areas.

Also in 2003 and 2004, the Bank provided three other non-profit organizations in Chicopee, Springfield and Westfield with a total of \$243,163 in lines of credit renewals for the purpose of working capital.

## **V. Innovative or Flexible Lending Practices**

Westbank offers a number of flexible mortgage products to assist first-time and other homebuyers, including low- and moderate-income borrowers, within its assessment areas.



## LENDING TEST (CONTINUED)

**Westbank First Time Home Buyers Program** Westbank continues to fund applications under its in-house first time homebuyer program. During 2004, the Bank originated 25 loans under this program, 23 of which were in the Springfield, MA assessment area. During 2003 there were 5 originations totaling \$525,970. This program offers a 30-year fixed rate purchase money mortgage to low- and moderate-income borrowers. The interest rate is approximately 25 basis points below market, with no points and no closing costs. Eligible properties are owner-occupied single-family dwellings, condominiums, or 2-family homes. To qualify, the applicant must receive homeownership counseling, and must put at least 3 percent down. A minimum of 1 percent must be from the borrower's own funds. The remaining 2 percent can be from any of the following sources: non-real estate secured loan, unsecured loan from a family member, gift, grant or down payment assistance, or seller-assisted down payment or closing costs.

**5/1 Arm Purchase Program – Limited Closing Costs** This is a loan program the Bank implemented in mid 2004. The product is targeted to owner-occupied single family residences (including condos). This is a home purchase product (does not need to be first time homebuyer) with prepayment penalties. Term is from 10 to 30 years and loan-to-values up to 95%. Many of the customary closing costs are paid by Westbank if the customer uses the bank's designated provider. No loans have been made under this program as of the evaluation date.

**Massachusetts Housing Finance Agency (MHFA) Mortgage Insurance Fund Zero Down/Home Town Loan Program (for Municipal Employees in Hampden County)** This program is designed to increase home ownership for municipal employees in the cities/towns in which they work. Eligible borrowers are first time home buyers who are purchasing an owner-occupied 1-4 family property located in the town in which they are employed. The income limitation is 135 percent of the HUD median income for Hampden County. The product is a 5/1 Adjustable Rate Mortgage with a 30-year amortization. The loan-to-value limit is 97 percent for 2-4 family dwellings and 100 percent for single-family properties and condominiums. Relaxed underwriting guidelines are used, and the borrower is required to receive homebuyer counseling for all loans in excess of 95 percent loan-to-value. During 2003, the Bank originated one loan under this program for \$151,500.

**Massachusetts Housing Finance Agency (MHFA) Massadvantage Loan Program** This program offers 30-year fixed rate purchase money mortgages for first time homebuyers with 0- and 2-point rate options available. No, or low, down payment options are available: 100 percent financing available for single-family dwellings and condominiums, with 1 point paid by borrower. A minimum credit score of 660 is required. A 97 percent loan-to-value product is also available. This program offers expanded debt-to-income ratios of 33 and 41 percent. Homebuyer counseling is required on loans with a loan-to-value greater than 95 percent and on all 2-4 family properties. The Bank originated 1 loan for \$129,000 under this program in 2004 and 4 loans totaling \$375,405 in 2003.

## LENDING TEST (CONTINUED)

**FannieMae Flexible 97 & 100 Programs** These products offer either 97 or 100 percent financing, with no income limitations, geographic limitations, or required homebuyer counseling. For the Flex 97 program down payment may come from the borrower's own funds, gifts, grants, or unsecured loans from relatives, employers, public agencies, or nonprofits, or secured borrowed funds. Product features include 15- or 30-year fixed rate mortgages, or 7/1 or 10/1 ARMs to be used for the purchase of single-unit primary residences. During 2004, 1 loan totaling \$220,000 was originated under the Flex 100 program.

**Springfield Neighborhood Housing Services/NHSA Max Value Loan Purchase and Home-Start Mortgage Programs** These programs are collaborations between Neighborhood Housing Services ("NHS") and local financial institutions. NHS will refer potential home buyers to the bank who will underwrite and close the loan. If required, NHS will provide a soft-second loan to close any loan-to-value gaps. The resulting loan is then sold back to NHS. To date, one loan has been originated under this program and was done in conjunction with the Bank's first time homebuyer program.

**Federal Home Loan Bank (FHLB) of Boston Equity Builder Program** Although this program does not involve Bank funds it provides a forgivable second mortgage which may be used for down payment, closing costs, or other mortgage expenses. If the homeowners remains in the residence for more than five years this second mortgage is forgiven. Westbank has partnered with this program to originate 4 loans in 2004 totaling \$375,050. FHLB funds extended to support these loans totaled over \$56,000.

**MassHousing/Fannie Mae Initiative** This new program was initiated in April 2003, and provides 100 percent financing for purchases of single-family dwellings. Eligible borrowers include all municipal employees and employees of county and state government, government agencies, and non-profit organizations employed in the areas of law enforcement, public safety, education, health care, and social services. The property must be located in the city or town in which the borrower is employed, only if a residency restriction is a condition of employment. Properties for all other borrowers may be located in any community within close proximity to the borrower's place of employment. Income is restricted to 135 percent of the HUD median family income, and the product is a 30-year fixed rate product. All first-time homebuyers are required to complete a face-to-face homebuyer education course with a Mass Housing-approved counseling agency. The Bank has originated two loans under this program, one each in 2003 and 2004 totaling \$282,500.

## **LENDING TEST (CONTINUED)**

### **VI. Fair Lending Policies and Practices**

Westbank's fair lending practices were reviewed to determine how they relate to the guidelines set forth in Regulatory Bulletin 2.3-101, the Division of Banks' Community Reinvestment and Fair Lending Policy. The Bank maintains a formal fair lending policy. The Bank's fair lending policy and procedures address specific areas such as loan review, staff training, fair lending procedures, a loan application and evaluation process as well as applicable rules and regulations regarding the anti-discrimination statutes.

All employees are provided with training appropriate to their job description and their responsibilities relative to the Bank's fair lending standards. This includes information regarding both technical requirements and the more substantive and subtle issues related to unintentional discrimination and quality of assistance.

Some members of the Bank's staff volunteer time at a variety of area organizations in need of their expertise. Primarily, the Bank markets its service and products through print media and the Internet. Seminars are also conducted in order to make potential customers aware of the services the Bank offers. In addition, there are some employees who speak a second language, which aids customers who may not be fluent in English.

A review of the Bank's residential loan application flow was conducted. The purpose of the review is to determine the number of applications the Bank received from minority applicants.

The Bank received a total of 1,246 residential applications from individuals within the assessment area during the period. A total of 64 applications, or 5.14 percent, were received from minority applicants. Of the total applications received by minority applicants, 46 or 71.88 percent were approved.

Westbank's application flow was compared to the 2003 aggregate data for all other HMDA reporters within the assessment area. In addition, the Bank's minority application flow was compared with the racial composition of the assessment areas. The comparison of this data assists in deriving reasonable expectations for the institution's application flow.

Aggregate information for 2003, indicated that 11.97 percent of the total applications received from all other HMDA reporters were from minority applicants. By comparison, Westbank's minority flow is considerably lower than the aggregate, with 3.89 percent of total applications received in 2003. It is also noted that the Bank's minority application flow for 2003 significantly trails the assessment areas' minority population rate. According to the 2000 U.S. Census Data, the Bank's assessment areas contained a total population of 602,921 individuals. Minority individuals accounted for 20.64 percent of the total population. This figure is in sharp contrast to the rate of applications the Bank receives from minority individuals.

## **LENDING TEST (CONTINUED)**

### ***VII. Loss of Affordable Housing***

The Bank's lending programs that include community development and flexible underwriting have assisted low- and moderate-income individuals to remain in their neighborhoods.

### **Conclusion – Lending Test**

Westbank's responsiveness to community credit needs is adequate. The majority of the Bank's residential and small business loans originate from inside the assessment area. The distribution of loans among borrowers of different income levels is adequate and among businesses of different sizes is good. In addition, the Bank's record of helping to serve the credit needs of low- and moderate-income geographies, low- and moderate-income borrowers, and businesses with gross annual revenues of \$1 million or less within the assessment area is reasonable. The Bank's use of innovative and flexible lending programs is marginal, and is similar to programs offered by other institutions. The Bank has granted a good amount of community development loans. Based on the aforementioned, the institution's overall lending performance is considered "Satisfactory."

## **INVESTMENT TEST**

The investment test evaluates an institution's record of helping to meet the credit need of its assessment area through "qualified investments" that benefit its assessment areas or a broader statewide or regional area, which includes the institution's assessment areas. Overall, the investment test evaluates the dollar amount of qualified investments, their "innovativeness and complexity", and the responsiveness of these investments to credit and community development needs, including the degree to which they assist residents to remain in affordable housing and the degree to which they (qualified investments) are not routinely provided by private investors.

A qualified investment is defined as a lawful investment, deposit, membership share or grant that has community development as its primary purpose. Community development includes; affordable housing for low- and moderate-income individuals, community services (targeted to low- and moderate-income individuals), activities that promote economic development (by financing small businesses or small farms), and activities that revitalize or stabilize low- and moderate-income geographies.

The Bank's qualified investments consist of \$125,025 in donations. In addition, the Bank purchased \$1,225,176 in mortgage-backed securities. These investments provided adequate responsiveness to the credit and community development needs within the assessment area; however, they are not considered complex or innovative. Westbank's performance under the investment test is rated "Satisfactory."

### **Qualified Investments**

In March 2004, the Bank purchased a Federal Mortgage Association (FNMA) mortgage-backed security for \$1,232,313 (\$1,234,310 face value) secured by 14 loans to low- and moderate-income borrowers residing in the Bank's assessment areas. The book value of this mortgage-backed security as of December 31, 2004, was \$1,179,712.

In 1998, the Bank purchased a Government National Mortgage Association (GNMA) mortgage backed security (MBS) for \$205,701 (\$202,474 face value). The security was backed by two mortgages to low- and moderate-income borrowers residing within the Bank's assessment area. The book value of this MBS as of December 31, 2004 was \$25,176.

On April 1, 2004, Westbank invested \$500,000 for 50,200.803 shares in common stock in the Access Capital Strategies Community Investment Fund, Inc. (ACSCIF). Westbank's designated target region for the investment includes the communities of Eastford, Killingly, Pomfret, Putnam, Thompson, and Woodstock, which comprises the Bank's Connecticut assessment area. As of December 31, 2004, the book value of the investment totaled \$500,000.

## **INVESTMENT TEST (CONTINUED)**

### **Charitable Contributions**

The Bank's donations were primarily to organizations that serve the entire community, but which received consideration as community development investments either because they are physically located in a low- or moderate-income tract or because 50 percent or more of their clients are low- or moderate-income. Approximately, \$50,000 of the Bank's donation total during the evaluation period was to the Springfield YMCA and YWCA, two organizations located in the predominately low- and moderate-income community of Springfield. The next largest contributions were to the Chicopee Public Library and the Basketball Hall of Fame. Other recipients of contributions were the Holyoke Boys and Girls Club, Springfield Technical Community College, Brightside for Families and Children, Habitat for Humanity, Western Massachusetts Economic Development Corporation, and Abilities Unlimited Kamp for Kids.

During the evaluation period, \$18,865 of the Bank's donations and \$500,000 of its equity investments benefited qualified organizations in the Connecticut assessment area.

### **Conclusion – Investment Test**

The Bank's activities since the last CRA report of examination demonstrates that adequate efforts have been undertaken in addressing the local area needs through contributions and grants to local charitable and social service organizations. The Bank's use of innovative or complex investments in support of community development initiatives is limited. The Bank's performance indicates that a satisfactory level of qualified investments and charitable contributions have been made during this review period.

## **SERVICE TEST**

The service test evaluates an institution's record of helping to meet the credit needs of its assessment area by analyzing the availability and effectiveness of an institution's systems for delivering retail banking services; and the extent and innovativeness of its community development services. Overall, Westbank's retail service delivery systems are considered reasonably accessible to geographies and individuals of different income levels within its Massachusetts' assessment areas.

### **RETAIL BANKING SERVICES**

The service test evaluates retail services based on the distribution of branches among low-, moderate-, middle-, and upper-income geographies; and the institution's recording of opening and closing branches; particularly, those located in low or moderate-income geographies or primarily, serving low or moderate income individuals.

Furthermore, the tests evaluates the availability and effectiveness of alternative delivery systems (for retail services) in low and moderate-income census tracts and to low and moderate-income individuals; and the range of services provided in low-, moderate-, middle-, and upper-income census tracts and the degree to which services are tailored to meet the needs of those geographies.

#### **Distribution of Branches**

Westbank's main office, including corporate headquarters, operations center, trust and mortgage servicing departments, are located within a moderate income tract. The Bank operates a total of 18 branch offices, 14 within Massachusetts and 4 in Northeastern Connecticut. The Massachusetts' offices include 3 supermarket branches, located in Big "Y" supermarkets in Chicopee (middle income tract) and Westfield (upper income tract) and "Stop & Shop" in East Longmeadow (upper income tract).

The Bank's Massachusetts branch offices, located in the Downtown sections of Chicopee, Westfield and Webster, are located within moderate income tracts; while the branch offices in Feeding Hills, Ludlow, and West Springfield (2 branch offices) reside within middle-income geographies. Additionally, the offices in East Longmeadow and Southwick are located within upper-income geographies, while the downtown Holyoke branch is situated within a low-income geography.

All branch office locations, except the super market and Holyoke branches, provide drive-up teller window service. All full-service bank offices have deposit-taking ATMs, with the exception of the Downtown Holyoke location, which has no ATM. All branches offer extended lobby hours on Thursday and/or Friday, as well as Saturday morning. The Holyoke branch however, does not offer Saturday business hours.

During the review period, Westbank opened a branch office in Webster, Massachusetts, which is situated within a moderate-income tract in the town's center. The Bank has not closed any branches situated in low or moderate-income areas.

## SERVICE TEST (CONTINUED)

### Other Retail Services and Alternative Delivery Systems

Westbank offers the same banking services and products in each of its branch offices. Each branch office has staff that is qualified to take consumer loan applications, while mortgage and home equity applications are taken by loan originators assigned to cover all branch offices within a given geographic area.

The Bank's "Free Checking" and "Free Savings" accounts meet the guidelines of the Massachusetts Community and Banking Council's (MCBC) **Basic Banking for Massachusetts Program**. Both of these accounts require no minimum balance or monthly fee. The "Free Checking" offers no limit on the number of checks written in addition to unlimited access to Bank owned ATM's. A MasterMoney debit card is also available.

All of the Bank's checking accounts offer either ATM or debit card access with free use of Bank owned ATMs. However, Westbank charges all of its checking account customers a \$1 fee for use of a foreign ATM, except "Capital Access Account" holders. The Bank's Capital Access Checking account requires a \$15,000 balance and earns a higher interest rate than other checking account options. Westbank surcharges non-customers \$2 for use of Bank owned ATMs.

Westbank offers a "Small Business Checking" account, which allows for 100 free transactions per month and charges 75 cents for each additional transaction. This account has MasterMoney Business debit card or ATM card accessibility. A \$15 monthly service charge is levied, if a \$5,000 minimum average balance is not maintained.

Westbank provides free telephone and online banking, including online bill paying, to all its checking account customers. The WesTel, automated telephone system, provides 24 hour/7 day account information and access. WesTel allows customers to check current balances and transactions, to transfer funds (between accounts) and to make loan payments. The Bank's online/internet banking, "WesLink" provides 24/7 account access and information similar to the WesTel. Additionally, free online bill paying service is available to via the Bank's website.



## **SERVICE TEST (CONTINUED)**

Overall, the bank's service delivery systems are reasonably accessible to geographies and individuals of different income levels within its Massachusetts assessment areas.

### **Other Retail Services**

Westbank participates in the **Massachusetts Interest on Lawyers Trust Accounts (IOLTA)** Committee program. During 2003 and 2004, the Bank remitted a total of \$20,444 to the IOLTA program. The Massachusetts IOLTA Committee utilizes these funds (the interest earned on funds held by attorneys) to support legal services for low-income individuals and families.

The Bank participates in the State Treasurer's **Savings Makes Sense School Savings Program** in local elementary schools including: Barry Elementary and St. Stanislaus in Chicopee; Chapin Street School in Ludlow; Granger School in Feeding Hills; and the Morgan School in Holyoke. A student account can be opened with a \$2.00 deposit. There is no required minimum for all subsequent deposits and no minimum balance to earn interest. The school savings program, offered to all grades from kindergarten to 5<sup>th</sup>, encourages children to open a savings account, and to form the habit of saving regularly.

### **COMMUNITY DEVELOPMENT SERVICES**

Community development services are evaluated based on the extent to which the institution provides community development services and the innovativeness and responsiveness of the services provided.

The Bank's officers, directors and staff provide financial or technical expertise to several organizations, involved in economic development, affordable housing and human services targeted to low- and moderate-income individuals and families. Overall, Westbank's qualified services, as detailed below, demonstrate an adequate level of community development services.

**Springfield Neighborhood Housing Services (NHS)** provides a "Full-Cycle Lending" program to income-eligible families within the City of Springfield. This program encompasses homebuyer education (pre-purchase), rehabilitation assistance, loans and grants for home purchase/rehabilitation and post-purchase education/counseling. Additionally, Springfield NHS has targeted blighted properties for rehabilitation and resale within a three neighborhood area in the inner city. The Bank's Senior Vice President of Mortgage Lending serves on the board of directors for the Springfield NHS.

**Westover Development Corporation/Westmass Area Development Corporation**, non-profit development organizations under common management, oversees industrial parks located in Chicopee, Springfield, Westfield, Agawam and Amherst. These organizations also provide an array of technical assistance to businesses looking to build/locate within the industrial parks.

## **SERVICE TEST (CONTINUED)**

Chicopee and Westfield are member cities of the Holyoke-Chicopee-Westfield Economic Target Area (ETA), while Springfield, itself is designated as an ETA. The Bank's President serves as a board member and treasurer of this economic development enterprise.

**Westfield Chamber of Commerce – Economic Development Committee**, functions as liaison between municipal government and prospective businesses looking to relocate to the Westfield area. This committee also works with businesses within Downtown Westfield's Business Improvement District (BID) to ascertain their concerns and needs. (Downtown Westfield comprises a moderate-income tract.) A commercial loan officer serves on this committee and on the Westfield Chambers' Executive Committee.

**Solutions Community Development Corporation (CDC)** works to strengthen the economic potential of low- and moderate-income residents in Holyoke and Chicopee, offering a number of programs and outreach services. A senior loan officer of the Bank serves on the board of directors.

**YMCA of Greater Springfield** is a provider of quality, affordable child care. The primary focus is to encourage the child's growth and development, while assisting families. Financial aid is available and vouchers are accepted. The YMCA operates the North End Youth Center, serving children from 10 to 18 years of age who reside in this inner-city neighborhood. The YMCA also provides affordable summer camp experiences to inner city children. A senior lending officer of the Bank serves as a board member for this human service organization.

**FOR Community Services/Sunshine Village** provides an array of employment and day habilitation services to people with developmental abilities in Western Massachusetts. A Senior Vice President and one of the Bank's Directors serve on the board of this community service organization.

**Brightside for Families and Children**, a non-profit social service organization, is dedicated to supporting and strengthening children and families in Western Massachusetts but especially, the most vulnerable and disadvantaged. This agency serves as the region's adoption resource center. A senior Bank officer serves as co-chairman for the organization's annual fund raising event.

**The Boys & Girls Club of Greater Holyoke and The West Springfield Boys & Girls Club** are both affiliates of the Boys & Girls Club of America. These organizations are situated in low- and moderate-income geographies, respectively. Their mission is to promote the physical, emotional and social development of youth with a special focus on disadvantaged youth. A member of the Bank's board of directors and the Bank's senior financial officer each serve as a director for these youth agencies.

## SERVICE TEST (CONTINUED)

**Holyoke Community College Foundation, Inc.** provides an income stream that supplements state appropriations (only 47% of the total budget Fiscal Year 2004) to the Holyoke Community College's operating funds. The community college serves in large measure as a resource for workforce development and education for residents throughout Western Massachusetts. In the Fall of 2004, forty-six percent of attending students received financial aid, the average award representing 82.0 percent of costs. The Bank's President serves as a Trustee of this educational foundation.

### **Educational Services and Seminars**

In October 2004, Westbank sponsored a first homebuyer training series, presented by the Hampden Hampshire Housing Partnership (HAP, Inc.) This agency serves as a non-profit regional housing authority. The training series, certified by MassHousing and Massachusetts Housing Partnership, provides a transferable "First Time Homebuyer's Certificate" to all participants, who successfully complete the seminars. The seminars were held at HAP, Inc's Downtown Springfield office and are offered without charge.

A Senior Vice President of Mortgage Lending and a Mortgage Originator of Westbank served as presenters for the sponsored seminar series and three other HAP, Inc homebuyer training sessions conducted in 2003 and 2004.

Westbank also participated in **HAP, Inc.'s First Time Homebuyer's Fair** held at the Holiday Inn Conference Center in Holyoke. This Homebuyer's Fair was attended by approximately 500 people and highlighted mortgage loan programs available to assist low- and moderate-income families.

Two of the Bank's staff members served as volunteer educators for the **Junior Achievement of Western Massachusetts** and taught personal economics to 7<sup>th</sup> and 8<sup>th</sup> grade students.

Westbank has sponsored the Holyoke/Chicopee Chambers of Commerce trade show in 2003 and 2004. This annual event, known as **Commerce 2003 (and Commerce 2004)** provides information and networking opportunities to an array of small businesses throughout the Springfield MSA. The Bank's Senior Vice President of Commercial Lending served as the event's Chairman in both sponsorship years.

## **SERVICE TEST (CONTINUED)**

### **Conclusion - Service Test**

Westbank's systems for delivering retail-banking services are reasonably accessible to geographies and individuals of different income levels in its assessment area, including those of low- and moderate-income. During the review period, one branch office was opened in a moderate-income census tract. The Bank's Directors and officers have provided a reasonable level of service activities primarily for community development purposes and related to the provision of financial services. The Bank's services and community development service activities are considered to be satisfactory.

## **APPENDIX A**

### **SCOPE OF EXAMINATION**

#### **WESTBANK**

**SCOPE OF EXAMINATION:** The examination included an on-site analysis of all HMDA and CRA reported loans for the period noted below.

Residential aggregate loan data was reviewed during the examination and included comparative loan data of competing institutions. WESTBANK has one assessment area, which was reviewed using the large bank examination procedures.

**TIME PERIOD REVIEWED:** January 1, 2003 – December 31, 2004

**PRODUCTS REVIEWED:** HMDA-reportable Loans and Small Business Loans

## **APPENDIX B**

### **FFIEC Core Tables**

**[Dates From January 1, 2003 To December 31, 2004]**

The Federal Financial Institution Examination Council (FFIEC) has adopted a standard set of data tables, sequentially numbered 1-15, for use in every large bank CRA Public Evaluation. Any tables not included in the Public Evaluation were excluded because the institution has not originated or purchased any loans in the relevant category during the period under review or did not elect to report consumer loan data.

### **LENDING ACTIVITY**

Table 1	Lending Volume
Table 2a	Geographic Distribution of Home Purchase Loans
Table 3a	Geographic Distribution of Home Improvement Loans
Table 4a	Geographic Distribution of Home Mortgage Refinance Loans
Table 5a	Geographic Distribution of Multifamily Loans
Table 6a	Geographic Distribution of Small Loans to Businesses
Table 8a	Borrower Distribution of Home Purchase Loans
Table 9a	Borrower Distribution of Home Improvement Loans
Table 10a	Borrower Distribution of Home Mortgage Refinance Loans
Table 11a	Borrower Distribution of Small Loans to Businesses

### **INVESTMENTS AND BRANCHES**

Table 14	Qualified Investments
Table 15	Distribution of Branch Delivery System and Branch Openings/Closings

**Table 1. Lending Volume**

LENDING VOLUME													Geography: WESTBANK 2003 MA						Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2004					
MA/Assessment Area (2003):	% of Rated Area Loans (#) in MA/AA *	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Deposits MA/AA												
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)													
Full Review:																								
Assessment Area I 2003	99.25	689	86,489	369	52,609	0	0	13	8,743	1,058	139,098													
Assessment Area I 2004	97.46	217	27,408	397	62,711	0	0	0	0	614	90,119													
Limited Review:																								
Assessment Area III 2003	0.75	4	420	4	725	0	0	0	0	8	1,145													
Assessment Area III 2004	2.54	2	334	14	3,066	0	0	0	0	16	3,400													

\* Loan Data as of December 31, 2003. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2003 to December 31, 2003.

\*\*\* Deposit Data as of February 07, 2005. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table2a. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE			Geography: WESTBANK 2003 MA						Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31,				
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (by Tract Income*)		
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid
<b>Full Review:</b>													
Assessment Area I 2003	89	100.00	3.01	1.12	12.96	7.87	53.61	49.44	30.42	41.57	6.15	17.33	51.37
Assessment Area I 2004	82	98.80	3.01	1.22	12.96	8.54	53.61	58.54	30.42	31.71	0.00	0.00	0.00
<b>Limited Review:</b>													
Assessment Area III 2003	0	0.00	0.00	0.00	17.20	0.00	82.80	0.00	0.00	0.00	0.00	15.81	84.19
Assessment Area III 2004	1	1.20	0.00	0.00	17.20	0.00	82.80	100.00	0.00	0.00			

\* Based on 2003 Peer Mortgage Data (NE)

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.



**Table 3a. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT 2004				Geography: WESTBANK 2003 MA				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2004						
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Income*			
	#	% of Total*	% Owner Occ Units**	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	
<b>Full Review:</b>														
Assessment Area I 2003	0	0.00	3.01	0.00	12.96	0.00	53.61	0.00	30.42	0.00	3.79	19.03	54.55	
Assessment Area I 2004	39	100.00	3.01	2.56	12.96	2.56	53.61	46.15	30.42	48.72				
<b>Limited Review:</b>														
Assessment Area III 2003	0	0.00	0.00	0.00	17.20	0.00	82.80	0.00	0.00	0.00	0.00	11.46	88.54	
Assessment Area III 2004	0	0.00	0.00	0.00	17.20	0.00	82.80	0.00	0.00	0.00				

\* Based on 2003 Peer Mortgage Data (NE)

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**Table 4a. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE 31, 2004				Geography: WESTBANK 2003 MA				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2004					
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) b Income*		
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid
<b>Full Review:</b>													
Assessment Area I 2003	600	99.34	3.01	0.67	12.96	6.00	53.61	41.83	30.42	51.50	2.53	10.99	50.67
Assessment Area I 2004	96	98.97	3.01	1.04	12.96	6.25	53.61	47.92	30.42	44.79			
<b>Limited Review:</b>													
Assessment Area III 2004	4	0.66	0.00	0.00	17.20	0.00	82.80	100.00	0.00	0.00	0.00	13.72	86.28
Assessment Area III 2004	1	1.03	0.00	0.00	17.20	100.00	82.80	0.00	0.00	0.00			

\* Based on 2003 Peer Mortgage Data (NE)

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**Table 6a. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES 2004				Geography: WESTBANK 2003 MA				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2004					
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Income*		
	#	% of Total**	% of Businesses*	% BANK Loans	% of Businesses*	% BANK Loans	% of Businesses*	% BANK Loans	% of Businesses*	% BANK Loans	Low	Mod	Mid
<b>Full Review:</b>													
Assessment Area I 2003	369	98.93	17.04	8.67	19.90	29.54	40.46	30.08	22.61	31.71	10.92	15.26	43.46
Assessment Area I 2004	397	96.59	17.04	8.56	19.90	26.45	40.46	38.79	22.61	26.20			
<b>Limited Review:</b>													
Assessment Area III 2004	4	1.07	0.00	0.00	31.36	0.00	68.64	100.00	0.00	0.00	6.97	16.01	48.85
Assessment Area III 2004	14	3.41	0.00	0.00	31.36	28.57	68.64	71.43	0.00	0.00			

\* Based on 2003 Peer Small Business Data

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the MA/AA.

\*\*\* Source Data - Dun and Bradstreet (2003).

**Table 8a. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE				Geography: WESTBANK 2003 MA				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2004					
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*		
	#	% of Total*	% Families**	% BANK Loans****	% Families**	% BANK Loans***	% Families*	% BANK Loans***	% Families*	% BANK Loans***	Low	Mod	Mid
<b>Full Review:</b>													
Assessment Area I 2003	89	100.00	22.62	5.62	17.12	25.84	21.68	16.85	38.58	51.69	7.48	26.96	31.05
Assessment Area I 2004	82	98.80	22.88	8.75	17.25	28.75	21.78	31.25	38.09	31.25			
<b>Limited Review:</b>													
Assessment Area III 2003	0	0.00	21.95	0.00	18.59	0.00	25.97	0.00	33.49	0.00	4.57	29.19	37.82
Assessment Area III 2004	1	1.20	21.74	0.00	18.45	100.00	25.90	0.00	33.91	0.00			

\* Based on 2003 Peer Mortgage Data (NE)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rate area.

**Table 9a. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT				Geography: WESTBANK 2003 MA				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2004					
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*		
	#	% of Total**	% Families**	% BANK Loans****	% Families*	% BANK Loans***	% Families*	% BANK Loans***	% Families*	% BANK Loans***	Low	Mod	Mid
<b>Full Review:</b>													
Assessment Area I 2003	0	0.00	22.62	0.00	17.12	0.00	21.68	0.00	38.58	0.00	9.08	23.78	33.16
Assessment Area I 2004	39	100.00	22.88	5.71	17.25	22.86	21.78	40.00	38.09	31.43			
<b>Limited Review:</b>													
Assessment Area III 2003	0	0.00	21.95	0.00	18.59	0.00	25.97	0.00	33.49	0.00	12.05	21.69	37.35
Assessment Area III 2004	0	0.00	21.74	0.00	18.45	0.00	25.90	0.00	33.91	0.00			

\* Based on 2003 Peer Mortgage Data (NE)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 10a. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE 2004					Geography: WESTBANK 2003 MA				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2004				
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*		
	#	% of Total**	% Families**	% BANK Loans****	% Families*	% BANK Loans***	% Families*	% BANK Loans***	% Families*	% BANK Loans***	Low	Mod	Mid
<b>Full Review:</b>													
Assessment Area I 2003	600	99.34	22.62	1.88	17.12	14.73	21.68	26.03	38.58	57.36	5.21	19.28	29.69
Assessment Area I 2004	96	98.97	22.88	7.45	17.25	22.34	21.78	29.79	38.09	40.43			
<b>Limited Review:</b>													
Assessment Area III 2003	4	0.66	21.95	0.00	18.59	25.00	25.97	50.00	33.49	25.00	6.87	29.27	33.35
Assessment Area III 2004	1	1.03	21.74	0.00	18.45	0.00	25.90	100.00	33.91	0.00			

\* Based on 2003 Peer Mortgage Data (NE)

\*\* As a percentage of loans with borrower income information available. No information was available for 2.6% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rate area.

**Table11a. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES 2004					Geography: WESTBANK 2003 MA			Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2004	
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data	
	#	% of Total**	% of Businesses**	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Mill Less
<b>Full Review:</b>									
Assessment Area I 2003	369	98.93	64.89	31.98	63.14	18.70	18.16	14,586	
Assessment Area I 2004	397	96.59	64.89	30.48	60.96	18.39	20.65		
<b>Limited Review:</b>									
Assessment Area III 2003	4	1.07	67.77	25.00	25.00	75.00	0.00	12,919	
Assessment Area III 2004	14	3.41	67.77	64.29	35.71	35.71	28.57		

\* Based on 2003 Peer Small Business Data

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the MA/AA.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2003).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 2.41% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS			Geography: WESTBANK 2003 MA		Evaluation Period: APRIL 16, 2003 TO JANUARY 18, 2005				
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Assessment Area I 2003	1	25	58	1,323	59	1,350	96.7	0	
<b>Limited Review:</b>									
Assessment Area III 2003	0	0	2	2	2	2	3.3	0	

\* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.



**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS								Geography: WESTBANK 2003 MA						Evaluation Period: APRIL 16, 2003			
MA/Assessment Area:	Deposits	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposits in AA	# of BANK Branches	% of Rated Area Branches in AA	Location of Branches by Income of Geographies (%)				# of Branch Openings	# of Branch Closings	Net change in Location of Branches (+ or -)				% of Population within E Geography			
				Low	Mod	Mid	Upper			Low	Mod	Mid	Upper	Low	Mod	Mid	
Full Review:																	
Assessment Area I 2003	72.7	13	92.9	7.7	23.0	38.5	30.8	0	0	0	0	0	0	11.11	19.23	45.71	
Limited Review:																	
Assessment Area III 2003	2.6	1	7.1	0.00	100.00	0.00	0.00	0	0	0	+1	0	0	0.00	25.19	74.81	

**Westbank Assessment Area I 2003**

Demographic Information for Full Scope Area: Westbank Assessment Area I 2003						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	104	16.35	18.27	43.27	22.12	0.00
Population by Geography	516,129	11.11	19.23	45.71	23.96	0.00
Owner-Occupied Housing by Geography	125,349	3.01	12.96	53.61	30.42	0.00
Business by Geography	25,763	17.04	19.90	40.46	22.61	0.00
Farms by Geography	639	2.03	9.86	49.61	38.50	0.00
Family Distribution by Income Level	132,273	22.62	17.12	21.68	38.58	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	52,562	18.76	25.93	42.58	12.73	0.00
Median Family Income HUD Adjusted Median Family Income for 2003 Households Below Poverty Level		50,930 56,800 13.21%	Median Housing Value Unemployment Rate (1990 US Census)		119,177 2.78%	

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2003 HUD updated MFI

**Westbank Assessment Area I 2004**

Demographic Information for Full Scope Area: Westbank Assessment Area I 2003						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	104	16.35	18.27	43.27	22.12	0.00
Population by Geography	516,129	11.11	19.23	45.71	23.96	0.00
Owner-Occupied Housing by Geography	125,349	3.01	12.96	53.61	30.42	0.00
Business by Geography	25,763	17.04	19.90	40.46	22.61	0.00
Farms by Geography	639	2.03	9.86	49.61	38.50	0.00
Family Distribution by Income Level	132,273	22.88	17.25	21.78	38.09	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	53,075	18.64	25.86	42.70	12.81	0.00
Median Family Income HUD Adjusted Median Family Income for 2004 Households Below Poverty Level		51,150 61,200 12.76%	Median Housing Value Unemployment Rate (1990 US Census)		119,209 2.74%	

(\*)The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2004 HUD updated MFI

**Westbank Assessment Area III 2003**

Demographic Information for Limited Scope Area: Westbank Assessment Area III 2003						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	8	0.00	37.50	62.50	0.00	0.00
Population by Geography	39,803	0.00	25.19	74.81	0.00	0.00
Owner-Occupied Housing by Geography	10,189	0.00	17.20	82.80	0.00	0.00
Business by Geography	1,840	0.00	31.36	68.64	0.00	0.00
Farms by Geography	46	0.00	17.39	82.61	0.00	0.00
Family Distribution by Income Level	10,543	21.95	18.59	25.97	33.49	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	4,274	0.00	33.08	66.92	0.00	0.00
Median Family Income HUD Adjusted Median Family Income for 2003 Households Below Poverty Level		58,737 68,000 9.94%	Median Housing Value Unemployment Rate (1990 US Census)		141,561 2.16%	

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2003 HUD updated MFI

**Westbank Assessment Area III 2004**

Demographic Information for Limited Scope Area: Westbank Assessment Area III 2004						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	8	0.00	37.50	62.50	0.00	0.00
Population by Geography	39,803	0.00	25.19	74.81	0.00	0.00
Owner-Occupied Housing by Geography	10,189	0.00	17.20	82.80	0.00	0.00
Business by Geography	1,840	0.00	31.36	68.64	0.00	0.00
Farms by Geography	46	0.00	17.39	82.61	0.00	0.00
Family Distribution by Income Level	10,543	21.74	18.45	25.90	33.91	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	4,237	0.00	33.23	66.77	0.00	0.00
Median Family Income HUD Adjusted Median Family Income for 2004 Households Below Poverty Level		58,426 69,900 9.58%	Median Housing Value Unemployment Rate (1990 US Census)		143,720 2.17%	

(\*)The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2004 HUD updated MFI



**Table 1. Lending Volume**

LENDING VOLUME												
Geography: WESTBANK CT 2003						Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2004						
CT/Assessment Area (2003):	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
Full Review:												
Assessment Area II 2003	100.00	125	14,243	18	3,855	0	0	0	0	143	18,098	100
Assessment Area II 2004	100.00	31	3,713	20	3,841	0	0	0	0	51	7,554	0

\* Loan Data as of December 31, 2003. Rated area refers to either state or multi-state MA rating area.

\*\* The evaluation period for Community Development Loans is from January 01, 2003 to December 31, 2003.

\*\*\* Deposit Data as of February 07, 2005. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

**Table2a. Geographic Distribution of Home Purchase Loans**

Geographic Distribution: HOME PURCHASE				Geography: WESTBANK CT 2003				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2004						
CT/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upper
<b>Full Review:</b>														
Assessment Area II 2003	12	100.00	0.00	0.00	16.88	8.33	83.12	91.67	0.00	0.00	0.00	25.86	74.14	0
Assessment Area II 2004	7	100.00	0.00	0.00	38.39	42.86	61.61	57.14	0.00	0.00				

\* Based on 2003 Peer Mortgage Data (NE)

\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**Table 3a. Geographic Distribution of Home Improvement Loans**

Geographic Distribution: HOME IMPROVEMENT				Geography: WESTBANK CT 2003				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2004						
CT/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total*	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upper
<b>Full Review:</b>														
Assessment Area II 2003	0	0.00	0.00	0.00	16.88	0.00	83.12	0.00	0.00	0.00	0.00	18.64	81.36	0
Assessment Area II 2004	8	100.00	0.00	0.00	38.39	37.50	61.61	62.50	0.00	0.00				

\* Based on 2003 Peer Mortgage Data (NE)

\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.

**Table 4a. Geographic Distribution of Home Mortgage Refinance Loans**

Geographic Distribution: HOME MORTGAGE REFINANCE 2004				Geography: WESTBANK CT 2003				Evaluation Period: JANUARY 1, 2003 TO DECEMBER						
CT/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tra Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Up
<b>Full Review:</b>														
Assessment Area II 2003	113	100.00	0.00	0.00	16.88	10.62	83.12	89.38	0.00	0.00	0.00	14.38	85.62	0
Assessment Area II 2004	16	100.00	0.00	0.00	38.39	25.00	61.61	75.00	0.00	0.00				

\* Based on 2003 Peer Mortgage Data (NE)

\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rated area.

\*\*\* Percentage of Owner Occupied Units is the number of owner occupied units in a particular geography divided by the number of owner occupied housing units in the area based on 2000 Census information.



WESTBANK

Institution ID:

**Table 6a. Geographic Distribution of Small Loans to Businesses**

Geographic Distribution: SMALL LOANS TO BUSINESSES 2004			Geography: WESTBANK CT 2003						Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003					
CT/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Businesses**	% BANK Loans	% of Businesses* **	% BANK Loans	% of Businesses* **	% BANK Loans	% of Businesses* **	% BANK Loans	Low	Mod	Mid	Upper
<b>Full Review:</b>														
Assessment Area II 2003	18	100.00	0.00	0.00	21.45	38.89	78.55	61.11	0.00	0.00	0.00	14.94	85.06	0.00
Assessment Area II 2004	20	100.00	0.00	0.00	45.12	55.00	54.88	45.00	0.00	0.00				

\* Based on 2003 Peer Small Business Data

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Source Data - Dun and Bradstreet (2003).

**Table 8a. Borrower Distribution of Home Purchase Loans**

Borrower Distribution: HOME PURCHASE				Geography: WESTBANK CT 2003				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2004						
CT/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total*	% Families**	% BANK Loans****	% Families**	% BANK Loans***	% Families*	% BANK Loans***	% Families*	% BANK Loans***	Low	Mod	Mid	Up
<b>Full Review:</b>														
Assessment Area II 2003	12	100.00	21.17	8.33	21.22	25.00	26.47	33.33	31.14	33.33	8.73	32.82	33.37	25
Assessment Area II 2004	7	100.00	21.91	0.00	22.08	50.00	26.51	16.67	29.50	33.33				

\* Based on 2003 Peer Mortgage Data (NE)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rate area.

**Table 9a. Borrower Distribution of Home Improvement Loans**

Borrower Distribution: HOME IMPROVEMENT				Geography: WESTBANK CT 2003				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2004						
CT/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upper
<b>Full Review:</b>														
Assessment Area II 2003	0	0.00	21.17	0.00	21.22	0.00	26.47	0.00	31.14	0.00	13.27	26.55	26.99	33.19
Assessment Area II 2004	8	100.00	21.91	12.50	22.08	37.50	26.51	25.00	29.50	25.00				

\* Based on 2003 Peer Mortgage Data (NE)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

**Table 10a. Borrower Distribution of Home Mortgage Refinance Loans**

Borrower Distribution: HOME MORTGAGE REFINANCE															Geography: WESTBANK CT 2003				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2004			
CT/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*											
	#	% of Total**	% Families**	% BANK Loans****	% Families*	% BANK Loans***	% Families*	% BANK Loans***	% Families*	% BANK Loans***	Low	Mod	Mid	Upper								
Full Review:																						
Assessment Area II 2003	113	100.00	21.17	8.85	21.22	21.24	26.47	38.94	31.14	30.97	8.80	29.12	33.00	29.12								
Assessment Area II 2004	16	100.00	21.91	0.00	22.08	37.50	26.51	50.00	29.50	12.50												

\* Based on 2003 Peer Mortgage Data (NE)

\*\* As a percentage of loans with borrower income information available. No information was available for 0.0% of loans originated and purchased by BANK.

\*\*\* Percentage of Families is based on the 1990 Census information.

\*\*\*\* Home refinance loans originated and purchased in the MA/AA as a percentage of all home refinance loans originated and purchased in the rate area.

**Table11a. Borrower Distribution of Small Loans to Businesses**

Borrower Distribution: SMALL LOANS TO BUSINESSES 2004				Geography: WESTBANK CT 2003			Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31		
CT/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% of Businesses**	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
<b>Full Review:</b>									
Assessment Area II 2003	18	100.00	70.72	44.44	22.22	50.00	27.78	1,377	
Assessment Area II 2004	20	100.00	70.72	70.00	50.00	25.00	25.00	0	

\* Based on 2003 Peer Small Business Data

\*\* Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

\*\*\* Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2003).

\*\*\*\* Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 0.00% of small loans to businesses originated and purchased by the bank.

**Table 14. Qualified Investments**

QUALIFIED INVESTMENTS		Geography: WESTBANK CT 2003			Evaluation Period: APRIL 16, 2003 TO JANUARY 18, 2005				
CT/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments*	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
<b>Full Review:</b>									
Assessment Area II 2003	0	0	14	19	14	19	100.00	0	
Assessment Area II 2004	14	19	1	500	15	519	100.00	0	

\* 'Prior Period Investments' means investments made in a previous period that are outstanding as of the examination date.

\*\* 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

**Table 15. Distribution of Branch Delivery System and Branch Openings/Closings**

DISTRIBUTION OF BRANCH DELIVERY SYSTEM AND BRANCH OPENINGS/CLOSINGS JANUARY 18, 2005								Geography: WESTBANK CT 2003						Evaluation Period: APRIL 16, 2003 TO JANUARY 18, 2005			
CT/Assessment Area:	Deposit s	Branches						Branch Openings/Closings						Population			
	% of Rated Area Deposit s in AA	# of BANK Branch es	% of Rated Area Branch es in AA	Location of Branches by Income of Geographies (%)				# of Branch Openin gs	# of Branch Closin gs	Net change in Location of Branches (+ or - )				% of Population within Each Geography			
				Low	Mod	Mid	Upp			Low	Mod	Mid	Upp	Low	Mod	Mid	Upp
Full Review:																	
Assessment Area II 2003	100.00	4	100.00	0.00	25.00	75.00	0.00	0	0	0	0	0	0	0.00	21.09	78.91	0

**WESTBANK****Westbank Assessment Area II 2003**

Demographic Information for Full Scope Area: Westbank Assessment Area II 2003						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	10	0.00	20.00	80.00	0.00	0.00
Population by Geography	46,989	0.00	21.09	78.91	0.00	0.00
Owner-Occupied Housing by Geography	12,794	0.00	16.88	83.12	0.00	0.00
Business by Geography	2,746	0.00	21.45	78.55	0.00	0.00
Farms by Geography	112	0.00	8.04	91.96	0.00	0.00
Family Distribution by Income Level	12,673	21.17	21.22	26.47	31.14	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	5,372	0.00	26.69	73.31	0.00	0.00
Median Family Income HUD Adjusted Median Family Income for 2003 Households Below Poverty Level		60,385 68,764 6.00%	Median Housing Value Unemployment Rate (1990 US Census)		150,502 2.10%	

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2003 HUD updated MFI

**Westbank Assessment Area II 2004**

Demographic Information for Full Scope Area: Westbank Assessment Area II 2004						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	10	0.00	40.00	60.00	0.00	0.00
Population by Geography	46,989	0.00	45.14	54.86	0.00	0.00
Owner-Occupied Housing by Geography	12,794	0.00	38.39	61.61	0.00	0.00
Business by Geography	2,746	0.00	45.12	54.88	0.00	0.00
Farms by Geography	112	0.00	16.96	83.04	0.00	0.00
Family Distribution by Income Level	12,673	21.91	22.08	26.51	29.50	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	5,575	0.00	53.27	46.73	0.00	0.00
Median Family Income HUD Adjusted Median Family Income for 2004 Households Below Poverty Level		61,239 70,800 6.29%	Median Housing Value Unemployment Rate (1990 US Census)		148,517 2.46%	

(\*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2004 HUD updated MFI





## **PERFORMANCE EVALUATION DISCLOSURE GUIDE**

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (225 Park Avenue, West Springfield, MA 01089)."

[Please Note: If the institution has more than one local community, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.